reason

a political travelogue
by john hospers

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a political travelogue:

introduction

People have arrived at the libertarian world-view from a variety of paths. One common path has been the American conservative movement. While still largely argeeing with right-wing concepts of free-market economics, these people become disenchanted with the authoritarianism of the right, rethink their values, and become civil *as well as* economic *libertarians. Often, however, it takes them some time to shake off the emotional baggage that went with being a "right-winger." A major element of this baggage is what might be termed "knee-jerk anti-communism."*

In brief, this is the phenomenon of identifying "communism" as the personification of total evil and of denouncing, at every possible occasion, Russia, China, the Eastern European States, and everything *associated with them, usually with large amounts of gratuitous invective. As a result of this policy, much right-wing verbiage about communist countries is a curious mixture of fact and half-truths, uncorrected by calm analysis of the facts.*

Obviously, no thinking person today would defend the regimes in these countries; systematic repression and rights violations are evil wherever *they occur and under* whatever *label, whether in Czechoslovakia, Rhodesia, Spain, or in Washington, D.C. What is being questioned here is the singling out, without apparent reason, of "communist" governments for this special hatred.*

What is implicit (and sometimes explicit) in such views is that our (good) government should enforce a total economic, cultural, and political boycott of these (evil) governments in hopes of causing their collapse. Yet as Terence Honikman pointed out recently in these pages ("Boycott South Africa?" REASON *August 1971), such boycotts rarely achieve their objectives and often harm the* people *of the target countries more than their governments. Libertarian policy should aim at maximizing the opportunities for free trade and travel as an effective way of encouraging changes in repressive regimes.*

With these thoughts in mind, REASON *is pleased to present an up-to-date, eyewitness account of the people and institutions of the USSR. Last fall Professor John Hospers was among a group of Americans who toured the entire Soviet Union, from Siberia to Samarkand to Moscow, Leningrad, and back. As a libertarian scholar who has offered his incisive criticism of totalitarianism in many publications, Professor Hospers here offers a traveler's overview of the people and the government of the U.S.S.R. Dr. Hospers is Director of the School of Philosophy at the University of Southern California and author of the recently-published book* LIBERTARIANISM.

impressions of soviet russia, 1971

john hospers

In September 1971 I spent several weeks in the Soviet Union, about equally in European Russia and Asiatic Russia. Flying westward out of Anchorage, Alaska, nine hours by jet over the Bering Sea, the Pacific Ocean, Hokkaido (sweeping far around the forbidden missile-laden coast near Vladivostok), our group deplaned at Khabarovsk in the Soviet Far East; then another jet ride (via Aeroflot, the one and only Soviet airline, from this point on) took us two thousand miles westward to a stay of several days at Irkutsk in the heart of the Siberian forest, and Lake Baikal, hardly seen by outsiders in 50 years; then another five hours by jet took us just north of the Afghanistan border, to the Soviet republic of Uzbekistan, and several exciting days at Tashkent and Samarkand, steeped in history from Alexander the Great to Tamerlaine and Genghis Khan and still Moslem centers today; then another six jet-hours westward to the Black Sea port of Sochi, with day-long rides to Lake Ritsa high in the Caucasus; then a thousand-mile flight to Moscow for three and a half days there, and still another flight from Moscow to Leningrad for a stay of similar length, before returning via Alaska Airlines from Leningrad over the north pole back to Anchorage.

The author in the Kremlin, Moscow

INTOURIST IS GUIDE

We were permitted to see only cities staffed by the Intourist guides, and in fact every day of the entire tour was prearranged. But within each city, everyone was free to move as he wished: to walk anywhere, talk with anyone, visit anywhere except in people's homes. Pictures could be taken of anything except airports, roads and railroads, bridges, military installations, and slums; and no pictures were permitted to be taken while in flight. (I took over 600 pictures while in Russia.) Communication was limited, of course, by the fact that most natives speak only Russian while very few of the American tourists do; so most of the interchange occurred through the intermediary of Intourist guides and via those members of the tour who spoke Russian.

To an observer like myself, espousing a libertarian philosophy and expecting perhaps a too-simple exemplification of the consequences of totalitarianism, there were a number of surprises, especially surprises favorable to the Soviet Union.

The land is vast: when we landed at Khabarovsk, we were more than five thousand miles east of Moscow, yet in the same country; it is also varied and beautiful, from the scenic birch forests along Lake Baikal to the semi-desert beauty of Samarkand and its incomparable mosques (finer, I am told, than anywhere else in the Moslem world), to the Caucasus along the Black Sea (the Black Sea is clean and comparatively unpolluted, and the mountainous country alongside it is astonishingly like western Colorado), to the eye-filling splendor of the great eighteenth-century city, Leningrad (a trip through the world's largest and greatest art museum, The Hermitage, is alone worth a trip to Russia). Russians

constantly ask visitors with unconcealed pride what they think of their motherland, and it would take an eye dead to beauty to be less than glowing in his account of the unending variety of Russian landscape—just as would be true of the United States, whose topography it so much resembles.

CRIMES

There is virtually no violent crime in the Soviet Union. One can walk alone at any hour of the night in the streets of any Russian city in perfect safety. (Members of our tour group did so in every city.) If one exhibits any surprise at this, one is asked, "Does this mean that the things we are told about American cities are true?" One seldom sees any uniformed policemen either, other than traffic officers; but on one occasion, when a Russian from another province got drunk in the Hotel Tashkent and insulted guests and broke a window, policemen were called in, who first tried to reason with him and then took him to the police station and treated him on the whole much more benevolently than the average American policeman would have done. (The secret police are a different story, of course. But they were nowhere in evidence, at least to tourists.)

Nor is there a drug problem in Soviet Russia: the penalty for possession is very severe (I was told that it averages about twenty years), and the penalty for "drug-pushing" is death. Persons of "hippie-type" appearance are not even permitted to enter.

DRESS AND DRINK

Though the people are dressed in baggy and ill-fitting clothes (by American standards), they do not suffer in this respect. Doubtless they have fewer clothes, but visitors who were in Russia as little as half a dozen years ago report an enormous change for the better; women who were then dressed in burlap are now clad in tasteful plain and flowered dresses. And the ever-present Russian boots are of better quality than any manufactured in the States. In spite of mass production, clothing is expensive: a man's suit costs about 75 roubles in the shops, (the rouble has about the same value as the dollar), and $75 is about average for a man's suit in the United States; but the average wage is slightly under 100 roubles a month. But when Khrushchev opened the country to consumer goods, there was a great improvement in quantity and quality of clothing available—for which change, along with destalinization, Russians hold Khrushchev in higher regard than any other Soviet leader.

The food and drink accorded tourists is bountiful indeed. A typical meal consists of an appetizer—caviar, slices of pork and beef, tomatoes, radishes, cucumbers, and other vegetables, all ripe and delicious; soup—of the many varieties of borscht found throughout Russia, each one seems more delicious than any other, the soup is incomparable; then the main course if one still has room left—meat and cooked vegetables, perhaps spiced beef, or shashlik, or any of a number of native dishes varying with the region; then dessert—the melons are finer and sweeter than any we had found in the United States, and the ice cream is creamy to a degree unexperienced in the United States for at least 15 years; then tea or coffee—the latter was particularly delicious, with a full-bodied toasty flavor as if regular coffee had been combined with Turkish (most of us couldn't endure the American coffee when we boarded Alaska Airlines at Leningrad). Water is not much used at meals in Russia, but the water in every city visited was not only safe but delicious.

At every meal except breakfast there are three glasses: a large one for the national drink, a slightly carbonated combination of pear juice, apple juice, and berry or other juices, which would put Coca-cola out of business if it were sold in America; a slightly smaller glass for wine or champagne (the Russian champagne compares favorably with anything made in the States); and a still smaller glass for vodka, served straight (and it can easily be drunk so, being much smoother than its American counterpart). One gets the impression that everyone is constantly eating and drinking. Though this is not the case, it does appear that most people eat quite well, and this in spite of the fact that the state stores in which they must wait in line for food are to American senses dark, gloomy, smelly, and monotonous. And indeed not all food comes from government-controlled sources: the one major bit of Russian free enterprise is the privately owned agricultural plots which many farmers have, from which almost half the entire Russian agricultural produce is harvested. The Great Market at Samarkand, for example, contains such an alluring variety of fruits and vegetables stretching almost as far as the eye can see, that one would think its contents alone would keep half of Russia fed—and since transportation is very inexpensive in the Soviet Union, many farmers take a plane, with their produce on it, to other parts of Russia and sell it there, still making a profit in spite of the costs of transportation and residence in another city. Most Russians can remember starvation among their families or townspeople, but now they tell visitors with pride, "In countries bordering on us [India, Pakistan, Afghanistan, etc.] people are still dying of hunger in the streets; we have no hunger in Soviet Russia."

Hydrofoil on Lake Baikal, Siberia

TECHNOLOGY

Some aspects of Russian technology are also very impressive. We traveled many thousands of miles on Soviet jets and even propellor planes throughout the length of Asiatic and European Russia, and though their planes are not built for comfort to American standards, they are certainly as safe; and according to American pilots I later talked to, they are better built, last longer, and operate at least as safely as American planes; Russia has most of the world's titanium, which is light and strong and much used in Russian planes, and their jet fuel is much better, as Alaska Airlines pilots discovered when they refueled with Soviet fuel. (Pilot safety standards are also high: for example, the Soviet pilot has a physical examination before *each* flight.) Every Soviet jet is built like a bomber and could be converted to military use in a few minutes. Their heavy-duty machinery, farm equipment, and ships (especially the hydrofoils), guns, cutlery, all compare favorably with ours, both for durability and for ingenuity of design. The Moscow subway is a feat of technology, beauty, and efficiency that is breath-taking, particularly if one has been on subways in New York or London or Paris.

The resources and the technical know-how are there: there are just certain areas into which they (i.e., the bureaucrats in charge) choose not to channel their best efforts. All over Soviet Russia, in every city one finds the same pale beige-colored apartment buildings, endlessly and monotonously repeated—apparently inexpensive to build and perhaps functional (one doesn't know for sure—citizens are seldom permitted to have non-Russians in their homes), but all constructed in an extremely slovenly manner: the builders could take many lessons in stonemasonry, plumbing, and electric wiring. If a tenant is not himself a handyman in these arts, he is often simply out of luck. And for apartments in these buildings one must wait for months or years. We were in the best hotels Russia has to offer, yet the plumbing and heating facilities (except in Moscow and Leningrad) left much to be desired; and in the Hotel Samarkand, nine months completed, two out of six elevators were still working, the masonry was unbelievably badly done, and there were few rooms in which every electrical connection could be made to function.

The busses and street-cars are of excellent quality, again durable, functional, very solidly made. So are the cars, though very few citizens can afford to have them. It is one way of keeping the citizen dependent on government: a car would give him a measure of independence and privacy, so cars are priced virtually out of range. Busses and street-cars by contrast are cheap, sometimes free, and almost everyone is consigned by virtue of his economic status to using them. But along with the high degree of technology is a slovenly system of distribution. One Siberian car-owner told me that repair facilities are few and far between and that new parts have to be ordered from Moscow, more than two thousand miles away, and often take several months to arrive, then one often finds that the wrong part has been sent and one must wait several more months for the right one to arrive. Apparently the Soviet bureaucracy is not particularly interested in whether car-owners are given prompt and efficient service.

MEDICINE

Medical service on the whole is excellent (and free to the patient) by the testimony of American physicians I have talked with and of American tourists on the trip who landed in the hospital with dysentery. Soviet doctors, most of whom are women, are very solicitous for one's welfare and want one to be hospitalized even for complaints which in America would be considered too trivial. There was nothing but praise for the cleanliness of the hospitals and for the personal care given the tourist. By all reports, Soviet dental service is far from excellent; still, most people have fillings rather than cavities, but the fillings are made of stainless steel, which is inoffensive when the teeth are not

visible, but give a (to say the least) peculiar appearance to such teeth as are visible when the person opens his mouth.

THE PEOPLE

But it was not the food or the technology but the people themselves that was most impressive. Russia has much of the flavor of a pioneer society—in many respects like the America of a century or more ago. Its people are on the whole hardy, healthy, ruddy-faced, and free of cant or ultra-sophistication; its virtues are those of the frontier. The friendliness is genuine, the warmth infectious, the curiosity and the wish to please both seemingly boundless. There is a kind of moral integrity about the people one meets there which seems largely to have disappeared from American society but can be remembered as characterizing one's parents or grandparents. (The combination of this strain of puritanism with State-inculcated atheism is a curious one, but the two coexist throughout Russia.)

One has the feeling, with many Russians one meets, that one could entrust one's life to them without fear of being betrayed, so strongly is the basic warmth and vitality of the people communicated to one. Loss or theft of articles in a suitcase is virtually unknown. A curious pride accompanies the sense of honor: one tourist offered a Russian an American cigaret; the Russian accepted, offering the American a Russian cigaret in return; the American, having tasted Russian cigarets before and found them too strong, declined; whereupon the Russian took the American cigaret and trampled it under foot.

Another interesting item is that no tipping is expected (no matter what the amount of service) in Russia; not only is it not expected, it is refused if offered. A small gift, say a ball-point pen, may be accepted with thanks, but nothing more.

A strong streak of puritanism is certainly present. One member of the tour group had a copy of *PLAYBOY* in his suitcase; it was confiscated by the Russian customs authorities as pornography. "No pornography in Russia," was the curt but not unfriendly announcement. Even in the 100° heat in Tashkent, if any tourist, male or female, wears walking shorts on the street (Russians never do), he is castigated by members of the local citizenry whose Russian may not be understood but whose gestures and indignant manner certainly are. Love stories on the stage and in the movies are invariably "proper," more or less like those in American movies until about 10 years ago. Sexual relations outside of marriage are frowned upon, and the friendliness toward foreigners is sometimes mixed with the very genuine fear that one might be "morally corrupted" by them. A lady in our group took care to leave a

Privately owned produce market in Samarkand

copy of a magazine of the *BETTER HOMES AND GARDENS* variety in every hotel room she left, so that the chambermaid could see what luxury Americans were accustomed to; but it is possible that the chambermaid was less impressed by the luxury exhibitied than by the moral "looseness" depicted in the actions and facial expressions of the people.

ECONOMICS

Wonderful people, and a lousy political-economic system—that is the paradox of Russia that strikes the observer coming from the outside. And it is the domination of every human life by government that most hits one between the eyes as he surveys the facts of day-to-day Russian life. It strikes the outside observer, of course, more than the Russian citizen who has never known anything else; but even these, particularly the young, are restless and often anxious to rid themselves of the yoke. A male tourist who knew Russian met a female Russian who took him to her apartment ("unspeakably awful," he later said, describing the apartment, which she said was one of the better ones). "The walls have ears," she told him, "one never knows which of your neighbors is employed by the secret police to spy on you. Please, as we leave, don't speak any English or give away your nationality, or I'll be in trouble." She had never known anything other than a totalitarian nation filled with spies, but she longed for something else, as many of the youth of Russia do. I should add that the signs of government control were much greater in European than in Asiatic Russia, where people would blithely say "we don't take the party line so seriously out here" and "we're too far away from the center of things for them to bother much about." But the system is still with them: even in Irkutsk, no one may own his own shop or hire his own employees.

"In America, if many people wanted coffee at 6 o' clock in the morning, they would get it," I said to the Intourist guide in Irkutsk, as we waited early in the morning at the hotel for the busses to take us to breakfast at the airport.

"What if no one wanted to get up at that time?" said the Intourist guide.

"Then no one would get coffee. But to make money, someone *would* get up and prepare it. And if the owner of the coffee shop didn't want to do it himself, he would hire someone else to do it."

"But that would be exploitation—one person using the services of another. And exploitation does not exist in Soviet Russia!"

"How is it exploitation," I countered, "if the employee willingly takes on the job? Maybe he'd like to make some extra money—at any rate, if he's willing and the employer is willing to give the wage, why not? It's voluntary exchange on both sides."

But the talk about voluntary exchange made no impression at all; perhaps it was not even understood. "A person may use things in nature, but not the labor of other human beings," she said. "If he does, that is exploitation."

"Does it make no difference if he uses them willingly? If one man wants the work in exchange for the money and the other man wants the money in exchange for the work? Why do you call such a thing exploitation?" But it was hopeless; one could not penetrate the veil of words. I thought of the insanity of a system in which a man is prohibited from hiring anyone else to do a job, while the government is not prohibited from moving whoever it wants anywhere it wants for whatever purposes it wants. Only when the government does it, is it not called "exploitation."

BIG BROTHER

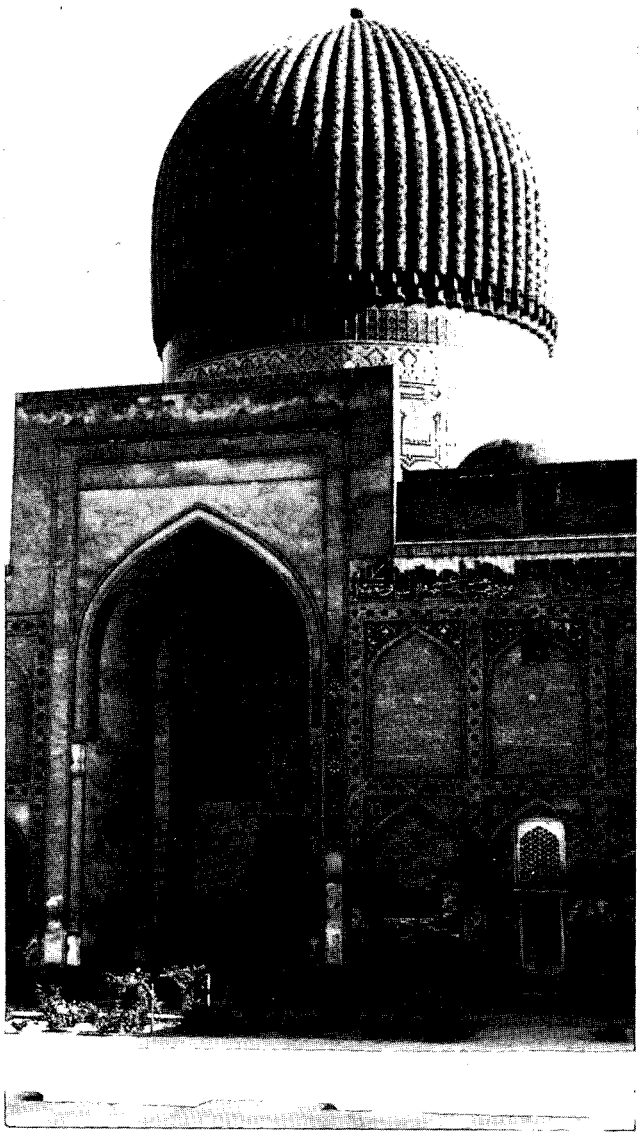
In truth, the principal fact about Soviet Russia which stands out for any observer who looks even a little behind the appearances is the omnipresence, and the omnipotence, of government. The State is the sole owner of land (except the private garden plots); no one may buy land, one can only rent it from the State. The State is the sole owner of houses: in fact, no houses for individual families have been built in Russia for years; there are only apartments, in the badly constructed apartment buildings already described. And if a family (not an individual—individuals must live with their parents) wants to live in one, they put their names on a waiting list until an apartment is assigned them by the government. No one may hire anyone else for a job: the State is the sole employer; even the taxicab driver is paid a monthly wage by the State, and the entire amount of the fares which he picks up must be returned to the State. (Which explains why there is a considerable black market in taxicabs). The State determines all wages in all categories (strikes for higher wages are illegal); the pay for plumbers is the same throughout Russia, and the same for physicians, engineers, street sweepers, hotel chambermaids, etc.; except pay is 20% higher in the Soviet Far East, presumably in atonement for the distance from Moscow. Though one may be placed by his government supervisory committee in a higher pay bracket for zeal in his work, he can never escape from his sole employer: if he wants to be a concert violinist, he must receive government approval (he may not chance it on his own); if they don't want to pay him to practice, he must hold down another job,

whatever job they assign him; and even in old age he cannot escape the government; he is not permitted sufficient income during his work years to save enough to make him independent, since the government dictates what pay workers in his classification shall receive it is always low by American standards; and no matter how enterprising one is, no rags-to-riches story can come true in Soviet Russia.

A product is not available unless the government decides to manufacture it: ball-point pens and chewing gum are not produced in the Soviet Union, and are in constant demand from tourists—I took a plentiful supply of both with me. And its consumption can be controlled by a simple government decree changing its price: in order to decrease the consumption of alcohol, the Soviet government last year doubled its price to consumers (though not to tourists), thus in effect prohibiting many people from using it at all. And even among products that are available, they can be sold only through State stores, which on the whole are quite horrible: in these stores you take what you can get, if the supply is not exhausted before you get there, and since no one profits by your purchase (which would be "profiteering"), there is no one who cares whether or not you get what you want or are satisfied with your purchase. You stand in line and wait (much as Americans do in the Department of Motor Vehicles), hoping that those paid by the government to serve you will do so and will not have run out of their supply before you are at the head of the line.

OPPOSITION?

Don't the people mind this extreme regimentation? Some do, and speak openly about it, incurring great risk of being forcibly stopped by their government. Others do, and say nothing, fearing these very consequences. But still others—and these seem to constitute the majority—do not mind it at all that much; they have never lived under any other system; and they know no other—even those who remember the days of the Czars can remember no time (for there was none) when Russia had any kind of participatory democracy. They readily admit some defects in their system: for example, they know very well that from time to time someone disappears and is never heard from again and that when this happens they had better not inquire too deeply what happened to him. They know that there is a secret police, but their principal feeling about it seems to be more one of relief that it is much less in evidence than in the days of Stalin rather than discomfort because there is such a thing at all (indeed, they seem to believe that some of its activities are necessary). They seem convinced that what they have, in spite of its defects, is ever so much better than what Russia had before, and that they should support it, not only because they have to, but because they have a good thing going and don't want to see it fail. In fact, Russian citizens who are acclaimed as heroes in the United States, such as the writer Solzhenitsyn, for having the courage to rebel against the system, are not viewed in that light by the ordinary Soviet citizen. The Russians who mentioned these "rebels" to us (and no one did without first being asked) expressed the view, whose sincerity one had no reason to doubt, that these men may be well-intentioned but that they were after all enemies of Russia, for they were doing and saying things against the State, and that the State was their only chance for such continued improvement as they have had since Stalin and especially through Khrushchev, whom they all admired (and who died while I was in Russia).



Mosque in Samarkand

AS THEY SEE US

Russians have all kinds of misconceptions (and a few correct conceptions) of life in the United States. They believe, reflecting propaganda they have been taught, that the United States is a vicious totalitarian state, where people may be materially prosperous but are not permitted to express themselves, and particularly not any friendly feelings toward Russia. They are told, and believe, that United States is a center of cruel economic exploitation, with some people fabulously rich and others starving in the streets. Their misconceptions of capitalism are endless.

They note their own achievements with pride. "Did you see the dam and power plant at Bratsk?" they ask when they find one has been to Siberia, "the largest in the world, bigger than any of yours." And: "Do you know that all medical and dental help is free in Russia? and hospitals too? They are really very good."

"THE" WAR

But the thing that overshadows the lives of Soviet citizens more than anything else, and justifies the present regime in their eyes in spite of defects that are apparent to them, is the war—the invasion by Hitler's troops in 1941, the soldiers who devastated the countryside and were at the outskirts of Moscow before they were repelled. The scorched-earth policy that was practiced left not a building standing or a living thing alive; it would be as if the United States were invaded from the East Coast to the Mississippi River, with nothing left standing—and they have *rebuilt* it all, the houses, the trees and farms, the dams and power stations, at a terrible cost to themselves. They invariably point with pride to this enormous achievment. But the scars remain; 20 million Russians lost their lives in the Nazi holocaust, and those who are still alive who participated in it, and those who grew up as children during this era, are absolutely determined that nothing like this horror shall ever overtake them again.

NEIGHBOR CHINA

Those to whom I could speak frankly were acutely frightened about the peril of China: they spoke of the five thousand miles of common border with China, with Siberian Russia underpopulated and China vastly overpopulated and with a yen to expand. Some of them had heard bad things about Americans, though they showed no trace of hostility once they talked with us, and they tended to attribute some of the bad reports to propaganda. But they did not in the same way dismiss the Chinese—this situation was as real to them as the facts of geography; and they were frankly scared stiff. I vividly recall the first afternoon on Soviet soil, when after a fantastic noon dinner in Khabarovsk in the Soviet Far East, we were taken for a long boat ride on the Amur River. We had been already shown the city of Khabarovsk, of half a million people, entirely rebuilt after the civil war of 1921 (between the White and Red armies), and now, when a member of the tourgroup asked why we did not go further down the river, a Russian officer replied, pointing, "There are the hills of China." The tone of his voice spoke volumes about the direction of his fears. If I were a Russian citizen today, I might well think it reasonable to favor a preventive strike against the Chinese atomic arsenal; failing this, many believe that ultimate conflict between them is inevitable.

NEWS AND LIGHT

There were two things I missed most during my stay in Soviet Russia, though it was some time after I was there before I realized that they were the things I missed the most. One of them was the absence of news: for two and a half weeks I knew nothing of what was going on in the world. The news in *PRAVDA* is of course highly filtered and slanted, and few Americans can read Russian. The only English-language newspaper available in Russia is a Communist rag printed in London and flown in, containing very little news of any kind. And then it occurred to me that this is one way, perhaps the chief way, in which the Soviet government brainwashes or conditions its citizens: not through the omnipresence of police as much as through the *isolation* of its citizens. They are *never* permitted to receive uncensored news of the outside world; day after day, year after year, their impressions of what goes on in the world are filterd through the Soviet government. This would have a deadly effect in the course of time, even on those who try to guard carefully against this very effect.

The other thing, and this I confess I missed even more, was bright lights (and all that the absence of bright lights signified). It was some time before I realized what was so sorely missing in Russian cities; but when I flew into Moscow at night, and in all that vast city the one thing most conspicuous from the air was the large red star in Red Square, it came home to me that there were no bright lights anywhere in Russia. Street lights, yes; occasional apartments where people were up late; very little more. Were there no amusements at all? Yes, there were some; every city has its circus (the circus is very popular in Russia): every city has movie theaters, not much illuminated from the outside (they don't need to advertise—the government operates them all and there is no competition), just a few bulbs and the sign *"Kyno"* indicating that the theater is there, and sometimes a few still pictures from the current movie; and for the rest—not a deathly silence

(though there is little noise in the streets), but a deathly *darkness* where in America there would have been oceans of light. There are no billboards, except those with Lenin's face pictured on them (and these are everywhere); no advertising—after all, no need for it, no profit can be made from it—you get only what the government store carries, and the government store carries only what the government factory produces, and if you want consumer goods at all you have to take these things whether they are of good quality or not, whether they are the style or size you want or not. When I came to realize what billboards and bright lights signified—economic freedom—I came to miss these things more than anything else, for their absence symbolized more than any other single thing what was wrong with Soviet Russia. A great land, tremendous resources, wonderful people—but no freedom of occupation, no freedom of residence, no freedom to rise in life; no, not even freedom of amusement, nothing to make life the least bit novel and exciting and dramatic. A tremendous beehive, with everyone working, and because of the immense labor, tremendous accomplishments in spite of the insane economic system; but the quality of life—drab, workaday: not in one's wildest dreams would one describe Russia as a "fun" place. It is the *drabness* of life that stands out in the impression of Americans at the spectacle of life in Russia.

WORK

The work ethic is indeed dominant in Russia, more even than in Germany or any European nation, for the work is unrelieved by *any* chance for escape. And the work required, even after the ravages of war have been repaired, is still tremendous, because of the unimaginable *waste* involved in their economic system. The streets and parks are clean, because thousands of old people each morning sweep the streets and sidewalks by hand with janitors' brooms —"busy work" for those who would be paid a pittance by the state whether they worked or not, so "let them work." It would surely have been cheaper to use automation. In every hotel, women are employed around the clock to dispense and collect keys, three for every floor in the building (three eight-hour shifts)—immense amounts of man-hours used and largely wasted, which must necessarily pull down the standard of living of everyone, since they all have to pay in taxes for the activities of these countless bits of busy-work. The amount of work going on in Russia is heroic and staggering. As a consequence the material aspect of life is bearable where it was not before. But aside from helping to achieve some material comforts, what is it all *for*? Toward what end do the bees cooperate in the beehive? Do they labor and sacrifice in order to bring into being another generation of laborers and sacrificial creatures like themselves? What do they get out of life as individuals? It is such questions as these that concern the libertarian observer as he ponders the quality of life in the Soviet Union in 1971.

As to the state of mind and intentions of the men who are at the head of the Soviet government, no amount of traveling in the country and talking with the people provides the slightest clue; those in charge keep their plans a secret even from their own people. Whether their intentions are peaceful or aggressive, whether he will be a cog in peace or a pawn in war, is something that the Soviet citizen, to whom his government is not responsible, does not know and over which he has nothing to say. In this respect Russia is, as Winston Churchill said, a mystery wrapped inside an enigma. ◻

Restaurant on Lake Ritsa, a vacation resort in Caucasus Mountains in Georgia

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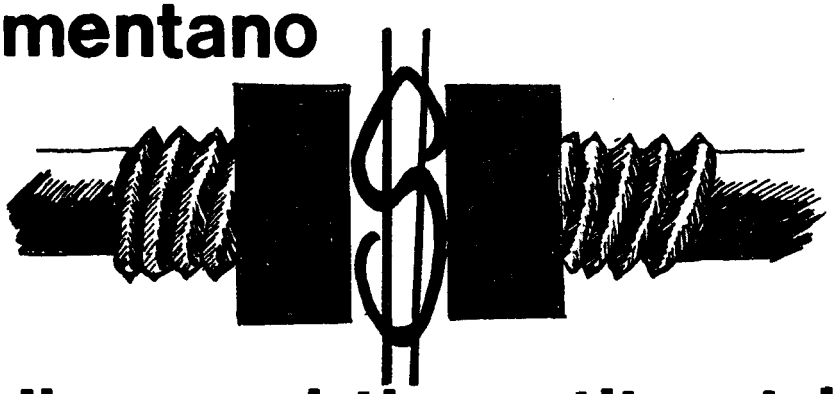

capitalism and the antitrust laws

Libertarians do not need to be told at length that laissez-faire capitalism and antitrust are philosophically incompatible. Capitalism is a social system founded on the principle of private ownership and voluntary exchange. Antitrust is a set of laws either restricting or prohibiting unpopular but, nonetheless, *voluntary* uses of private property[1]. Since antitrust explicitly interferes with private willing exchange, it is completely antithetical to the concept of capitalism.

Non-libertarians (which means just about everyone we deal with as workers, teachers, or businessmen) are not so easily convinced of the antithesis outlined above. Almost all economists, for example, have held that a capitalist economic system cannot exist without antitrust to protect it. They have accepted the notion that free-market capitalism has a fatal "flaw," an inherent tendency to eat itself up, to destroy the very essence of its own economic mechanism: business competition. And they point to the latter part of the 19th century in America as empirical proof of their theory[2].

CAPITALISM AND COMPETITION

Since Adam Smith, economists have sought to justify their belief in capitalistic economic systems by falling back on "competition." It was competition that would keep business costs and prices down and lead greedy businessmen, as if by some "invisible hand," to maximize the public's economic interest. Government intervention, not opposed in principle, was unnecessary in such situations since competition was "regulating the allocation of scarce resources."

If competition could not exist, however, or if competition tended toward monopoly, the economist's classic utilitarian defense for the free market collapsed. A truly free, unhampered market implied a market *free of all governmental regulation*. Yet, if the declining competition thesis was correct, a competitive capitalism was impossible unless the state itself, through antitrust legislation perhaps, sought to maintain competition. Thus those who would support capitalism were pushed into the ironical position of having to support active governmental intervention in the economy to keep it competitive—a blatant contradiction in terms. Yet almost all economists have (somehow) coexisted with such a contradiction and have held such a position on monopoly, competition, and antitrust. The intellectual support for a competitive capitalism without antitrust is nonexistent in the academic community.

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Can the "conventional wisdom" and political economy of more than a half-century be wrong on this crucial issue? Of course it can. The "declining competition" thesis as outlined above has no basis in logical theory or empirical fact. The entire argument is premised on mighty assumptions that are not true. It is not true that there is an inherent tendency for competition to break down in a truly free market[3] or, accordingly, that actual business competition was declining in the latter part of the 19th century. And it is also not true, emphatically not true, that an examination of the leading antitrust cases in business history demonstrates that active governmental intervention is necessary to "preserve competition."

Those who hold that competition was declining in the 19th century have a confused notion of business competition (as will be demonstrated below) and have never studied the empirical data of that period with respect to costs, prices, outputs, or any other relevant benchmark of economic performance. And those who hold that antitrust theory is sound or that antitrust cases demonstrate the need for and justify the existence of the antitrust laws have never taken the time actually to read the leading cases in antitrust history. To "believe" in antitrust is never to have read a leading antitrust case.

While there are some excellent revisionist histories of the 19th century (see, for example, Gabriel Kolko's, *THE TRIUMPH OF CONSERVATISM*, originally published by Macmillan in 1963), the theory and practice of antitrust has yet to be formally challenged. This author will soon provide that challenge when Arlington House of New Rochelle, New York, publishes his volume titled, *THE MYTHS OF ANTITRUST: ECONOMIC THEORY AND LEGAL CASES*[4]. As a brief introduction to the more formal work, it might be interesting to explore some basic antitrust dogmas.

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ANTITRUST THEORY

Antitrust theory is founded rock-bottom on an admittedly impossible concept: *pure competition*. If you are unfamiliar with the term, you must first forget everything that you know about real-world business rivalry, since *pure competition* has nothing at all to do with that. Instead, pure competition is that friction-less, profit-less, never-never land, where strange robot-like firms produce "homogeneous" products at prices that just equal the marginal costs of production and the minimum average cost of production[5].

Economists by and large rejoice at such an occurence and agree that it is a wonderful state of affairs. For in this purely competitive situation, the firms involved would not have any "price control" or "monopoly power" by which they might "exploit" the unsuspecting consumer. Hence, consumer welfare is being "optimized" and the economy is functioning "efficiently."

Departures from this blissful state of affairs are unanimously regarded as movements away from "consumer optimality" and, accordingly, movements toward the opposite of pure competition: *monopoly*. As business firms get larger, as they merge perhaps, and as they begin to innovate, and advertise, and differentiate their products, and acquire locational and promotional advantages, and engage in interdependent rivalry for the consumers' dollars, *they wreck pure competition and any chance at it*. The market place, economists have concluded, is becoming less competitive. And that, as you may realize by now, is the sort of "competition" that was "declining" in the latter part of the 19th century!

The concept of pure competition is the most destructive "straw man" in all economics and one of the most destructive in all political economy. The intellectual charade goes something like this (and every student of economics has heard it at one time or another): the free market system would be ideal if pure competition existed; pure competition does not or cannot exist; a free market system is impossible, i.e., government regulation is an absolute necessity[6]. Enter antitrust on a white charger. A convenient and cute bit of "logic"—but absolute nonsense, and don't let your economics professor forget it or get away with it.

Pure competition is impossible in reality, and we wouldn't want it even if it could exist. The concept was conceived by the mathematically oriented classical economists because it lent itself to precise mathematical analysis. Any resemblance between the concept and reality or reality-oriented competition between flesh-and-blood firms was purely coincidental. And something that cannot exist in reality, and would not be desirable even if it could, cannot rationally be used as a "standard" to measure "resource misallocation" or "monopoly power". Yet antitrust is founded entirely on this sort of approach, and it is the only *economic* rationalization ever offered for antitrust activity.

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ANTITRUST HISTORY

The so-called empirical case for antitrust is worse—if that is possible—than the theoretical approach outlined above. A long accepted dogma in the area of governmental regulation of business is that the "classic" monopoly cases of antitrust history clearly demonstrate the need for and justify the existence of the antitrust laws. The impression certainly created by all the leading textbooks on this subject is that the "trusts" indicted in the past were (as the textbook theory suggests) actually raising prices, lowering outputs, exploiting suppliers, driving competitors from the market through predatory practices and generally lowering consumer welfare[7]. Ironically, few if any of these leading texts provide the student of antitrust with the necessary empirical information that might allow an independent judgment as to the relative conduct and performance of these "monopolies." The empirical evidence is not provided, this author has discovered, because it would completely destroy the antitrust myth and expose antitrust as a complete hoax. *THE MYTHS OF ANTITRUST* will reveal this information in systematic detail for *all* the leading cases in antitrust under *all* the important sections of the antitrust laws. The following is the briefest possible peek under the window shade of antitrust.

There are six leading "monopoly" cases in antitrust history. These cases involve *Standard Oil* in 1911, *American Tobacco* in 1911, *United States Steel* in 1920, *Alcoa* in 1945, *United Shoe Machinery* in 1953, and *DuPont* in 1957[8]. If these trusts were abusing consumers or competitors in the marketplace, surely the information presented at Court in these long cases would reveal such behavior.

Without exception, however, the Court record in each of these classic antitrust cases reveals no such thing[9]. All the firms involved were actually lowering prices, expanding outputs, engaging in research and innovation at a rapid rate, and not, as a general rule, employing predatory practices toward their competition. In a word, the firms' actions in the market were entirely consistent with competitive and not monopolistic behavior, and the Court's own records confirm this. Yet the student of antitrust, let alone the general student of business history, cannot become aware of these facts by reading the standard textbook approach to antitrust. As mentioned before, the standard texts conveniently do not provide such information.

PRICE FIXING

Antitrust cases dealing with so-called "price fixing" are treated even worse. Economists so dislike price collusion that their hatred has blurred their objective treatment of such cases. Students are led to assume that antitrust history contains ample empirical proof that businessmen can successfully collude and raise prices above competitive levels. Actually antitrust history reveals no such thing.

The author has written elsewhere of the inherent difficulties associated with price collusion in a free market[10]. It should only be noted here that price fixing antitrust cases illustrate the theoretical argument of that article, namely, that *successful "conspiracy" is impossible without government intervention*. Although it may be difficult to believe, the leading price fixing antitrust cases *do not involve successful price fixing*.

As an illustration, take the most famous price fixing case in all business history, the electrical equipment conspiracy of the late 1950s. The case, as you may remember, involved some of America's leading corporations such as General Electric, Westinghouse, Allis-Chalmers, Federal Pacific, and many others. The charge was that they had "raised, fixed, and maintained" unreasonable prices and that they had "restrained, suppressed, and eliminated" price competition on many important electrical products.

Was there an elaborate "conspiracy" to restrain trade with respect to price competition in the industry? Of course there was. But, different question, did the conspiracy raise, fix, and maintain unreasonable prices and suppress price competition between the "conspirators"? The answer is an emphatic *NO*, not at all. No one can read the Hearings on Administered Prices, *PRICE-FIXING AND BID-RIGGING IN THE ELECTRICAL MANUFACTURING INDUSTRY*, held by the United States Senate Committee on the Judiciary in the spring of 1961, without being overwhelmed by two facts: 1) there was clear evidence of meetings among various firms to "do something" about prices; 2) the meetings were, on balance, "a complete waste of time." The firms were eventually convicted (like many firms before them) for *having* what the Court refers to as a "conspiracy" and *not* for successfully fixing prices. Firms cannot defend themselves in a "price fixing case," therefore, by arguing that the prices were not fixed; that sort of information is "immaterial" at Court in such cases.

MERGER

The most exciting (and, therefore, saddest) area of antitrust today is mergers. Most economists dislike mergers, particularly large ones, since they hold the market structure approach to "measuring" competition. They mistakenly assume that the number of firms in a "market," or the relative size of the firms, is the crucial determinant of competitive behavior. Since mergers reduce numbers and increase relative size (concentration), some economists argue that they automatically reduce competition. The Courts, unfortunately, have simply adopted this cute, knee-jerk approach to merger and competition. In doing so, they have rendered some of the most blatantly absurd decisions in all antitrust.

The *Brown Shoe* case of 1962 is a good illustration of this argument. The Supreme Court finally ordered Brown Shoe to divest themselves of Kinney Shoes since the merger of the two companies would have, in fact, made competition *more vigorous* in the shoe industry. By the Court's own admission, the merger would have allowed specific economies in the sale of shoes that were likely to be passed along to Brown's customers[11]. But since Brown's competitors might then have been at a competitive disadvantage, and since the Court's myopic view of mergers and competition would not have permitted similar mergers between competitors to realize similar economies, the Brown merger had to be dissolved. Thus consumers were explicitly deprived of shoe purchasing economies because the Court, with much

academic advice, thought it important to preserve the existing market structure in the shoe industry for its own sake. Absurd; yet similar decisions in similar cases are rendered almost daily.

Present merger policy is even more irrational, if that is possible to imagine. The Justice Department has argued in some very recent cases that it is "concentration in the American economy" (not concentration in any given industry or market) and reductions in "potential competition" (not actual competition!) that should determine the legality of particular mergers[12]. Although the Lower Court cases decided so far have rejected such nonsense, that such wonderland notions can be offered as serious theory is enough to indicate the present intellectual state of antitrust. Antitrust today is more of a religion, a mystical experience, than anything else; yet the juggernaut rolls on through the business system.

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CONCLUSION

Is there a "monopoly problem" in the American business system? Of course there is, but it has nothing to do with antitrust. In fact the monopolistic situations in the American economy have been, for the most part, immune from antitrust anyway. I am, of course, refering to the monopoly or cartel-type arrangments maintained by the Interstate Commerce Commission, the Federal Communications Commission, the Federal Power Commission, the all too numerous state regulatory commissions, and other regulatory authorities. The cartels that these governmental agencies protect and shield from competition could not last a week without such protection; the forces of the free market would take them apart immediately. Indeed, these industries prove the very point of this article, that is, that "monopoly" is not a free market problem at all, and that antitrust does not and has not restored "competition" to the American marketplace. To end the "monopoly problem" in America, end *all* governmental involvement in economic affairs, including antitrust. ◻

NOTES AND REFERENCES

[1] The most important antitrust statutes are: The Sherman Antitrust Act of 1890; the Clayton Act of 1914; the Federal Trade Commission Act of 1914; the Robinson–Patman Act of 1936; and the Celler-Kefauver Antimerger Act of 1950. Under certain circumstances that may, supposedly, reduce "competition," these laws restrict attempts to "restrain trade," "monopolize," "price discriminate," engage in "tying agreements" and "merge."

[2] For a typical (and much respected) view of this position see Joseph W. McGuire's *BUSINESS AND SOCIETY*, McGraw-Hill, 1963.

[3] See, of course, the works of von Mises and Rothbard or, for a brief argument along these lines, see Rod Manis' "Free Enterprise and the Monopoly Myth," *REASON*, Vol. 3, No. 6, September 1971.

[4] Scheduled for publication in May 1972.

[5] For an elaboration of this position, see any micro-economics text or, specifically, Richard H. Leftwich, *THE PRICE SYSTEM AND RESOURCE ALLOCATION*, Fourth Edition, The Dryden Press, 1970.

[6] For a recent account of exactly this sort of "argument," see Milton H. Seencer's *CONTEMPORARY ECONOMICS*, Worth Publishing, Inc., 1971, p. 327.

[7] Probably the best selling college text in "Government and Business" courses is Clair Wilcox's *PUBLIC POLICIES TOWARD BUSINESS*, Irwin, 1971. See this particular text for *all* the distortions and misrepresentations suggested in this article.

[8] For a brief review of these cases see my article, "The Antitrust Hoax," *THE INDIVIDUALIST*, January 1971.

[9] For a detailed history of the American Tobacco Company and the tobacco industry prior to the antitrust case in 1911, see my article "Antitrust History: The American Tobacco Case of 1911," *THE FREEMAN*, March 1971.

[10] "The Inherent Weakness of Price Collusion," *THE FREEMAN*, January 1970.

[11] *Brown Shoe Company v. United States*, 370 U.S. 294. See, specifically, p. 344.

[12] See the Justice Department's argument in their recent suits against International Telephone and Telegraph's purchase of the Grinnell and Canteen Corporations. Or see *THE WALL STREET JOURNAL*, 6 July 1971. ◻

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the patent question:

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ownership and innovation

ronald e merrill

In formulating a political/legal theory for the free society, one of the most crucial questions to be solved is that of property rights in innovation. This amounts in practice to the question of patents and copyrights. Past and present patent laws have been dismal failures in protecting the rights of inventors; writers have been somewhat better served by copyrights, but the recent rise of cheap duplicating methods has begun to create problems in this sphere also. In general, governments have regarded patents—and innovation itself—as a necessary evil and written laws accordingly.

PATENT "SCHOOLS"

Libertarians have been severely critical of existing patent systems (although apparently fairly satisfied with copyright laws) but unable to agree on the structure of the correct system. The conflict tends to reflect the schism between the supporters of "limited constitutional government" and the "rational anarchist" school. However, in the patent question (as perhaps in other aspects of this debate) the conflict between these two schools of thought seems to be caused more by differences in attitude than by differences in principle.

The basic aspects of the "limited constitutionalist" position have been very ably set out by Rand[1]. Although criticizing the present U. S. patent system, Miss Rand would apparently not change it very much, at least in fundamental aspects. Thus she advocates retaining: 1) award of exclusive patent to the first to invent; 2) a definite time limit on the length of a patent, after which the invention passes into the "public domain."

The "rational anarchist" school takes a completely different position. Rothbard's proposals[2] may be taken as representative: 1) a patent should be awarded to each independent inventor; 2) patents would be granted in perpetuity and transferable to the inventor's heirs. Rothbard advocates a very weak sort of patent; in fact he does not call it a patent, but a copyright, although it is apparently to be even weaker than present copyright laws[3]. To strengthen the protection of the inventor, Skye D'Aureous has implicitly extended the Rothbard position by proposing an auxiliary system[4] which amounts to avoiding the necessity of a patent by systematic use of industrial secrecy.

Both these schools of thought, however, are in error, and both have in fact committed the same error. Let us see how this error arises by examining in detail the reasoning that they have in common[5].

PROPERTY AND CREATION

It is well-known that the ultimate source of all property is creation[6]; so far, so good. Now, say both schools, the innovator creates an idea; therefore he owns it. The basic source of disagreement now appears. The problem arises because ideas are not the same as material goods.

Suppose I build a chair; it is mine because I made it. If you build a chair, that chair is yours because you made it. There is no interference between our property rights because there are two different chairs; you own yours, and I own mine. But now suppose we are inventors. I have an idea; it is mine because I created it. You have the same idea independently. *Now* there appears to be a conflict of property rights. Who owns the idea? This problem can never arise with material goods; if I make a chair, you cannot independently make the *same* chair.

How should this conflict be resolved? Both schools take their cue from analogy with material goods. Thus Rand says, in effect: *"Suppose two prospectors survey the same plot of land and both find gold. Even though both made their discovery independently, the resulting material good, the gold mine, is awarded to the* first *discoverer. The same should be done with ideas."*

Rothbard, on the other hand, apparently reasons as follows: *"The second inventor can be denied property rights only if he in some way stole something from the first inventor. But what has he stolen? True, his independent manufacture of the invention will cut down the first inventor's profits, but this is irrelevant. If I am a chair manufacturer, the entry of a competitor into the chair market will cut down my profits, but I am not thereby entitled to prohibit him from doing so."*

One can spend a great deal of time arguing the relative merits of these two positions. All such argument, however, is pointless; both arguments are incorrect because they both use "idea" as a floating abstraction. That is, the terms "idea," "innovation," "invention," etc., as used by both Rand and Rothbard, are terms which have no referent in reality. This is the fundamental error.

Both arguments use these terms in such a way as to make clear the authors' convictions that an idea or innovation is an independent (though of course intangible) entity which can be an economic good, which can be bought, sold, rented, etc.[7]. While I do not want to claim here that only tangible entities can be economic goods[8], it is not hard to see that ideas cannot be.

THE REAL IDEA

What *is* an idea? Suppose all the minds in the universe were suddenly to disappear; would there still be ideas? No; when one speaks of ideas, one is speaking of concepts (specifically *new* concepts) and concepts cannot exist independent of the mind. *ATLAS SHRUGGED* would be merely 584 dirty pieces of paper—if there were no *minds* to read and understand it. Thus there is no such thing as an "idea" just floating around in the void; every idea exists in somebody's *mind*.

This is why ideas cannot be economic goods; they are not transferable. Consider the following example: C, a chemist, has invented a new drug. M, a manufacturer, plans to buy the invention (not a sample of the drug, mind you, but the *invention*, the *idea*). M hands over the money, and C gives him a diagram of the drug's structure and a detailed description of its synthesis. M, being a layman, can make nothing out of it. Has the *idea* in fact been sold? No; it has not been transferred to M, in spite of the fact that all of the "data" has been "given" to him. The problem is that human beings are volitional, and they have to do their own thinking. The idea cannot be punched up on IBM cards and read into M's skull—*he* must think of it himself. C may be able to help him to do so, but he cannot in any way *give* M the idea. The idea, in short, cannot get into M's mind by *transfer*—it can get there only by being *created* by M.

(A word should be said about the theory that patents protect property rights in "data" or "information," where "information" is used in its engineering sense. Essentially the same objections apply here. First, information, like its opposite entropy, is only a mathematical abstraction with no referent in reality. Second, information *as such* is not an object of human action; people act to obtain knowledge but not bits.)

What, then, of the ownership of ideas? Very simple: I own the ideas in my mind; you own the ideas in yours; I created mine; you created yours. Is there any conflict? No; my ideas exist only in my mind and can never be anywhere else; they can be neither sold nor stolen[9]. Thus there *are* property rights in ideas, but they are property only in the trivial sense; since they can never be transferred and can never be

economic goods, ideas, cannot be part of economic transaction and hence their property status is irrelevant.

This does not mean that an inventor could never be paid for his achievement. The inventor cannot demand payment for his idea, but teaching that idea to somebody else is a service, for which he *is* entitled to payment. In addition, as we will see below, he is entitled to receive other payments. It is important to note, however, that the distinguishing characteristic of the inventor is *not* that he had the idea but that he had it *independently*, that is, that nobody else taught him.

CONTRACTS

Let us go back, now, and see how the nature of patents should be derived. We find that we can describe a patent in terms of three contracts: the disclosure contract, the certification contract, and the production contract.

The **disclosure contract** amounts to a copyright. When the inventor publishes the details of his invention—i.e., discloses it—he is *teaching* his idea to other people, and, as we have seen, he is entitled to payment for that service. In particular, he is entitled to place conditions on the use of the idea by any person to whom he has taught it[10]. Not surprisingly, it is found that most inventors wish to make it a condition of disclosure that they retain the exclusive right to market their invention. This is the disclosure contract: a contract between the inventor and the people to whom he teaches his idea, in which the latter agree in payment for that teaching to concede all rights to economic development of the idea to the inventor.

The **certification contract** is an agreement between the inventor and the State[11]. In return for the payment of a fee by the inventor, the State agrees to *certify* (after investigation) that his conception of the idea was indeed independent.

The **production contract** is a little more complex. Let us return for a moment to the origin of property. Ownership is derived from creation. Once we leave "Crusoe" economics, however, most creation is joint, that is, two or more people participate in the creation of the finished good, and all of them have a claim on ownership of that good. These claims are settled by contractual agreement, made in advance, by the producing parties. One of the most common forms of joint production occurs when one person—the inventor—develops an idea and another person or persons translate the idea into material goods. *The purpose of a patent is to insure payment to the inventor for his part in this joint production.* As it usually happens, rather than deal with the complexities of joint ownership, the inventor and manufacturer agree that the product will be totally owned by the manufacturer but that a payment will be made by him to the inventor, called a royalty.

There is a very important point which should be noted here. Most authors have considered an idea or innovation as a good which the inventor has produced and a patent as a certification of his property rights in that good. However, as demonstrated above, an idea cannot be a good. Instead, the inventor is paid for his *labor*; a patent is a certification of his having done that labor. Thus, ultimately the inventor is paid for his labor in performing two services: the service of making the invention and the service of teaching his idea to others.

Another point which arises concerns the question of certification. Under present U. S. patent law, an inventor must take steps to patent his invention within one year of the first date on which the invention has been publicly used or its nature published[12]. In a free society, the State could not require that a person pay for certification of his rights as condition of protecting them (although it can, of course, demand payment for the protection). Thus the State would have to grant a patent regardless of previous use of the invention, as long as the inventor could show independent invention. It should be noted, however, that the inventor would in any case have to demonstrate that he had publicly stated his disclosure conditions. In any case, this question would be of little practical importance, since certification of the invention makes protection of the inventor's rights much easier not only for the State but for the inventor.

Before going into some specific questions in patent theory, it should be pointed out that previous writers on this subject have not sufficiently realized the extent and importance of the *contractual* nature of patents. The exact nature of the three contracts described above, which together make up a total patent, cannot be completely prescribed in advance; in a free society, no doubt a number of different types of patent agreements would be used.

PATENTABILITY

The question now arises: What sort of idea is patentable? Rand goes into this question in some detail, but, although her conclusion is essentially correct, there are several flaws in her reasoning. Thus Rand claims correctly that a discovery (as opposed

to an invention) cannot be patented, because a discovery cannot be property, whereas an invention can.

> A scientific or philosophical discovery . . . cannot be the exclusive property of the discoverer because: (a) he did not *create* it, and (b) if he cares to make his discovery public, claiming it to be true, he cannot demand that men continue to pursue or practice falsehoods except by his permission.

There are three errors here: 1) as we have seen above, *no* idea, whether invention or discovery, can be owned; 2) a discoverer *does* create his discovery—what he does not create is the fact of nature which his discovery identifies; 3) the distinction between discovery and invention needs to be somewhat more carefully defined than it is by Rand—if one *discovers* that a certain structure is capable of flight, he is also *inventing* the airplane[13].

The question of patentability involves several fundamental criteria. First: *An innovator is not entitled to payment for any part of the production process in which he did not participate*. This is merely a specific case of an obviously true general statement. Any laborer is entitled to payment only for the value which he has added to the finished product; *once he has been paid*, he is no longer entitled to anything more if somebody else then improves that final product.

Thus, consider the following situation: Suppose A invents the transistor. B, paying A's royalties, makes a batch of transistors and sells them to C, who uses them in the manufacture of transistor radios. C is not required to pay royalties to A, even though he is using transistors; he is not *making* transistors, he is making radios. The only production in which A has participated is the making of transistors. Now, consider a situation in which this principle is extended. D, a scientist, has discovered a scientific principle which was used in inventing the transistor. (We note in passing that there is no way for D to *prove* that A used his idea in making the invention; A might have been using an erroneous theory—as was the case in De Forrest's invention of the triode—or he might simply have hit on the transistor by accident. We are immediately suspicious; if there is, *in principle*, no way for D to prove that he has a right, surely he is in error in claiming that right.) Now we ask: Can D claim that he participated in the production of transistors? No—no more than A can claim that he participated in the production of the radios. Can D claim at least participation in the *invention* of the transistor? Not unless he actually collaborated with A in the invention, since D cannot claim either knowledge of or participation in A's mental processes. Just as A is fully paid when B pays his royalties, so D is fully paid when A pays D's fee (probably in the form of a copyright royalty) for teaching his discovery.

DISCOVERY AND INVENTION

Going back now to the distinction between a discovery and an invention: all inventions can be considered as discoveries; the crucial point which makes an invention is the *inclusion of a use—the making of a good*—in the idea. Thus if one observes that birds have a certain wing structure, that is a discovery; if one observes that that wing structure can be *used* to make an airplane, one has made an invention. Note, however, that one can claim only the consequences of the discovery that one has foreseen. In the example above, after a patent on airplane wings had been obtained, somebody else could patent the use of the discovery in, say, submarine rudders.

The question of priority and exclusivity is not very hard to deal with. Rand's position on this issue has been criticized elsewhere[4]. An additional point might be made briefly here: there exist certain situations in which it is literally meaningless to ask which inventor was first[14]. Using the above analysis, it is easy to see that Rothbard's position (though not his reasoning) is correct on this issue. Suppose that R makes an invention, which is then manufactured by S; T makes the same invention independently and has it manufactured by U. Is R entitled to payment from U? Obviously not; R did not participate in S and T's production. Thus, we conclude that patents should be awarded to both R and T. However, Rothbard errs in claiming that T must be given a patent unless *R* can prove that T's invention was *not* independent[15]; it is incumbent on *T* to prove that his invention *was* independent—just as it was on R.

PATENT LIFE

The length of term of a patent is the final question of importance to be considered. Without bothering to go into a specific, point-by-point critique of previous positions on this issue, let me just point out that all are led into oversimplification by the treating

of ideas as goods. The length during which a patent as such is applicable is determined by the term of the disclosure contract; if the disclosure contract has expired, there is no further bar to manufacture of the invention by anyone who wishes. (However, a manufacturer who has made a production contract with the inventor is of course still held to the payment of the specified royalties, even though other manufacturers may now be making the invention for free.) Now, it is impossible to state in advance the exact terms of the disclosure contract; as pointed out above, in a free society one might well expect many forms to occur. (There are nonetheless certain limits on the nature of contracts permissible in a free society. For instance, a scientist, in publishing a discovery, cannot make it a condition of disclosure that further scientific developments based on his discovery be published only with his consent; in contrast to the case of a material good resulting from an invention, an *idea* resulting from the scientist's discovery cannot be his property. He cannot own or control the use of someone else's mind; this would be a type of "slave contract."[16]) An inventor would be allowed to make a disclosure contract which would apply in perpetuity and would specify that royalties be paid to his heirs after his death. There would be some mitigating factors, however. For one thing, if there were other, independent inventors who did not include such a clause in *their* disclosure contracts, it would of course tend to make any such specification useless. In addition, there might be some limitation imposed on the ability of the heirs to negotiate new production contracts, since they would not *own* anything (except insofar as rights under a contract can be "owned")—in particular they would not own the labor which the original inventor had done.

PATENT ECONOMICS

Something should be said about the economic consequences of patents. This subject has been left to the last since, of course, morality rather than economics is the deciding factor in political issues. However, since the moral is the practical, good morality makes for economic efficiency. What would be the consequences of the system outlined above, in contrast to those of present and other proposed systems?

One of the most aggravating features of the present U. S. patent system is the short term of its patents (17 years). It is not too uncommon for an inventor to be effectively denied a patent because, by the time he has cleared up challenges in court (which are frequent), developed the invention from the idea to the production stage, and completed negotiations with manufacturers, his patent has expired. A system in which patents were granted for life or longer would obviously increase the incentive to innovation tremendously.

The award of patents to all independent inventors would also have advantages over the present system. It is at present common for inefficient corporations to use a patent as a means of stifling further innovation in their field and thus retain an unjustified competitive advantage. The possible necessity of dealing with several inventors instead of just one would obviously inhibit the use of this policy. There is another factor. Under the present system, inventors work in the utmost secrecy, since a leak of their work could result in somebody else's claiming the invention and back-dating his record to establish priority. Under the Rothbard system, secrecy would still be the rule, since the first inventor must prove that a second inventor was not independent to keep him from getting a patent; keeping his own work secret would make such proof easier. Under a corrected system, however, an inventor would be eager to publish as much and as soon as possible, since he would thus make it much harder for other inventors to prove independence in court. Thus one could expect a substantial increase in the rate of technological innovation, which is seriously hindered by secrecy.

This essay constitutes only a bare outline of correct patent theory. A detailed legal study would of course be necessary to draft the specific laws for use in a free society, but unfortunately it does not seem that this will be necessary very soon. ◻

NOTES AND REFERENCES

[1] Ayn Rand, *CAPITALISM: THE UNKNOWN IDEAL*, (New York: New American Library, 1967), pp. 130-34.

[2] Murray N. Rothbard, *MAN, ECONOMY, AND STATE* (New Jersey: Van Nostrand, 1962), pp. 652-60.

[3] Apparently one must actually buy a sample of the machine, etc., for Rothbard's "copyright" to come into force; but this may be only a

misinterpretation caused by poor construction. See Rothbard, *op. cit.*, p. 654.

[4] Skye D'Aureous, *REASON*, September 1970.

[5] One is always open to charges of misrepresentation when indulging in this sort of analysis, but it is sometimes necessary for clarity of argument to fill in the unstated assumptions and reasoning of other authors. Let me state for the record that I am not a spokesman for any of the writers discussed herein.

[6] This principle is accepted by both Rand and Rothbard; see the works cited.

[7] Rand considers ideas as a type of property which is, however, different from material goods but still transferable. Rothbard: " . . . a patent and a copyright . . . are both property rights in *innovations*." See the works cited.

[8] It has proven convenient for economic analysis to treat such intangibles as labor as economic goods. One could go back, however, and re-derive everything from a viewpoint which considers only tangible entities as goods.

[9] With brainwashing or drugs, ideas can be removed from a mind, but this constitutes intellectual "arson" rather than "theft."

[10] There are, of course, limits to the conditions which would be permissible. One of these is mentioned below.

[11] I do not wish here to go into the general question of anarchy. Those who prefer may substitute for "State" the term "protection agency," etc.

[12] C. D. Tuska, *AN INTRODUCTION TO PATENTS* (New York: Dover, 1964), p. 57.

[13] Not an idle example. The success of the Wright brothers was based mainly on careful measurements of the effectiveness of various wing types, using a wind tunnel, rather than on superior "inventive" ingenuity. See Fred C. Kelly, *THE WRIGHT BROTHERS* (New York: Ballantine, 1950), esp. pp. 45-49.

[14] Science Teaching Center, Massachusetts Institute of Technology, *PHYSICS—A NEW INTRODUCTORY COURSE* (Cambridge: M. I. T. Press, 1964), pp. 19-7 to 19-9.

[15] Rothbard, *op. cit.*, p. 653.

[16] Rothbard, *op. cit.*, p. 142, p. 438. ◻

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Muhammad in Gaza

We are the haters, hating deep,
you big black bastard bursting out of Louisville,
gelding all your betters with your flashing fists.
At first, you kept your place
(An ape, we said, could have your skill).
"A credit to his race," we said,
trying not to weep.
We beat you, Boy, beat you good.
In bars and board rooms,
we stole your time, we kept you chained.
Bend, damn you, bend your knee!
We are the haters, hating deep
all you are and we can never be.

Robert P. Baker

editorial-

tibor machan

Among many who consider the principles of a free society suited for human beings, involvement in contemporary politics has become distasteful. This is not surprising. It is very difficult to tell whether there is anything that one can do to make a difference through politics. A friend of mine who heads an economics department has discovered that, in terms of time allocation, there are hardly any people around who could gain by political involvement, especially among the professionally active population.

Yet the problem arises that if those who do the producing in the country do not involve themselves in politics, the field will be left entirely to those who have nothing to gain by advancing the principles of a free, capitalist society. Clearly, the non-productive citizen has little to gain, *as a non-producer*, from what capitalism enables him to do.

While there is no general recommendation as to what specific actions people ought to undertake in order to secure for themselves a better political environment, it is clear that complete withdrawal from the political arean can only mean an acceleration toward the controlled economy and fascism—American style.

It may not be possible for productive citizens to devote much time to marches and other forms of "protest politics"—that is a luxury which only the dependents of the welfare state can afford—yet it is only reasonable that every producer consider the issue of political activism carefully. By doing so, I believe he will discover that within his own life-context there are some things he can do to hold the line on the massive advancement this country is making toward totalitarianism.

So while I do not presume to be able to make specific recommendations, I would insist that all rational people owe it to themselves to investigate what avenues are open toward keeping their freedom at least a little longer, if not actually advancing it beyond its present miniscule status. Hopefully, those of us who have attempted to identify the positive steps in behalf of human liberty will manage to pick up on our pace in the meanwhile and bring the state of politics in this society to a level where liberty will once again go on an upward swing. Hopefully. ◻

Language Lesson

Deep, deep the dolphins dive
through emerald skies to sapphire caves
where wise ones wait and quell their fears.
Beyond the waves—O God of dolphins rise!—
the slowest pups instruct their peers,
the catchers and the caught
They struggle to communicate, to keep alive
some structured whole,
to parse the alien brain
and conjugate the soul,
Till land and sea are one—
the teachers and the taught—
and home for everyone must seem
his blessing and his curse.
The wise ones wait, and waiting,
dream of this first meeting's awful end:
For all, a doubled universe,
for each, perhaps a friend.

Robert P. Baker

Gnomic

Thought didn't make desire:
Thought rides a narrow board
Across a giant wave
Evoked by wind and tide
And swelling in the sun.

This wave is my desires—
Shaped by my long descent
In nerves within my skull,
Called up by play of force
Across my senses' surface—

And all that thoughts are for
Is picking out an aim
Through rocks and coral reefs
Onto a golden beach
Where foam explodes around them.

William Stoddard

save our smog

john d ockert

The Ockert Research Institute (O.R.I.) rejoicing in its triumphal* exposé of Zip Code feels once more the compelling inner urge to focus the beam of its incandescent inquiry on one more nugget of social imperfection and, by properly aligning the concomitant verities and presenting them to the Institute's subscribers, earn for itself the augmented gratitude and appreciation of that select group as well as those unsolicited nondeductable contributions which are always so welcome.

SMOG: THAT GOOD BROWN CLOUD?

Any cursory address of attention to the various manifestations of the Information Media must result in the inevitable conclusion that smog is a problem and this is a basic lie. Smog is indeed not at all the problem (except to a few fanatical flap-jawed ecologists)—it is the *SOLUTION*. While it may have some lamented undesirable spin off effects, let's face it, any metropolis without an appropriate baptism of smog would cease to be the viable, vibrant focus of economic life that it now is. Just think of all the planners, guideline writers, doomsday predictors, and other merchants of chaos who would be obliged to seek gainful employment if that good brown cloud were to be permanently lifted. Just contemplating the economic prostration of the chest and respiratory disease doctors, the layoffs in the drug companies that would occur due to the lack of storage for all the unpopped pills that were no longer necessary for the relief of diseases no longer contracted—this should convince one of smog's necessity.

Ralph Nader would have to find something else to bitch at the auto industry about. Legislators would be deprived of a fulmanitory issue. Engineers would not receive the overtime pay they now get to meet deadlines for more effective antismog devices and lower pollutant gasolines. Former astronauts now huckstering smogless gasoline would have to reapply as space jockeys. Even the lives saved or at least extended by the lack of smog would contribute a burdensome amount to the overpopulation problem and those who rally against smog would do well to check their premises and extrapolate the logical consequences of their goal's implementation.

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* Within one year of the Zip Code results being submitted to the White House and the Postmaster General, legislation was introduced into Congress to abolish the Post Office as presently constructed. See "Truth in Zip Code," *RAP MAGAZINE*, Fall 1970.

WHEREFROMNESS

As we have looked at a cross section of problems to which smog is a solution, we gain much by looking at the wherefromness and whereforeness of smog. Most urban smog, it is believed, emanates from auto emissions and this is linked most directly to the current solution of the problem of mass transportation of many warm bodies to many places at a fast rate. Whereas a knight of olden times was content with one proud steed to move him about, his modern counterpart requires several hundred horsepower for his conveyance. While it is true that mobility might be well obtained from only a fraction of the power available in the more supercharged options, the surfeit is indeed a psychological necessity in that it acts as a kind of 20th century cod-piece. And so, any morning in Los Angeles, New York, Chicago, or elsewhere, one may see miles of lanes of thousands of these smog emitters lined up, most carrying a single soul, moving at the approximate pace of a man riding but one horse, and each praising God and/or Technology for the blessed privilege of so doing. And such dedication is difficult to resolve, for the vital statistics show the multiplied thousands of lives we sacrifice each year on the altar of fast independent movement.

And yet, the projection is to spend more billions of tax dollars to buy more land, (removed from tax rolls), to tear down homes, to destroy more green acres, and to turn them into bumper to bumper, cement crawling lots moving slowly over the face of our land, giving out more and more of that beautiful, money generating smog.

MEANWHILE, IN MEXICO . . .

Fortuitously for subscribers of the O.R.I., Ockert himself, while on a venture south of the border, twigged onto the key to the whole smear. (Oh, to be sure, Mexico is getting a bad name burning those fields of Acapulco Gold, barring the entry of long tressed hippie types, and engaging in other assorted social injustices. And while diligent research can still locate a vestigal emporium or two catering to the jaded tastes of the gourmet voyeur, basically things are so bad in Tijuana that it is necessary to get a blue or green card to come up north to experience a more profound, in depth, statement of ecdysiastical ecstasy, so bad that Ockert broke a long standing vow, took his family down on the next trip, felt a very safe and welcome indeed, and had a ball.)

JITNEYS

Now individuated mobility in Tijuana is available through the *jitney taxi*—the *red and white* cabs which cruise predicted routes, taking up to five passengers for $0.25 each as far along these routes as they care to go. The *yellow* cabs charge $0.50 and will take you to the door (if the door is not too remote, as Ockert understands it). There are also the *blue* cabs, who charge what they can get and will take you to places you may well wish you hadn't gone—but then others have been quoted to say, "It is better to have flunked your Wasserman than never to have loved at all." So choose your reality and support it.

And here it is—the *real* menace to smog and prosperity—the menace of the Jitney Taxi. Why do you think our President Nixon instituted Operation Intercept? To slow down the drug traffic? Oh, innocent subscriber, I fear I have bestowed labor upon you in vain. To be sure, a few adventurers are apprehended and boost the P.R. statistics, but the gut market doesn't seem to be affected. Anyone wishing to send anything across need only insert his weed, powder, or whatever in a gasoline impervious flexible tube, to which is attached a stout string with a small iron ring on the end. This is then dropped in the gas tank and rare is the customs officer who will go through and find it and rarer still is the dog who will sniff it. And even if found there is the perfect cop out.

And if the driver has such a bad presence of mind as to excite the curiosity of the border narcs to this extent any number of innocent parties may be found in the parking lot at Caliente who at no risk or charge would be glad unknowingly and innocently to bring it back for free. By paying $0.40 to the Department of Motor Vehicles, the location of the car (ergo, contraband) may be obtained and the loot recovered when convenient by means of a magnet attached to the end of a long flexible rod. So, obviously, Operation Intercept could not have been instituted to diminish the drug supply. Why then? What purpose could it serve?

KEYS AS POLLUTION

Aha! We must look *beyond* the obvious. Suppose some brilliant, scholarly, fearless, imaginative, dynamic director of a research institute were to synthesize and release the logical consequences of

the expanded Jitney Concept. What then? Consider this quote from Governor Reagan's recently successful campaign commercials. "Smog—We could stop it tomorrow if everyone threw away his car keys." This is an extremist statement. It would *not* be necessary to throw them away and possibly violate the litter laws. Just not using them would suffice. The Jitney Concept (J.C. for short) would permit anyone who so chose to go into business for him- or herself. The J.C. would invite whosoever will to become an independent business person, a professional warm body relocator if you will, working hours and routes of his or her own choosing. Those electing to enter this field would announce the availability of their services by the insertion of a route-indicating, color-number coded card on the front of the vehicle, and revert it to the family car by removing the card.

"Every man," as baseball's Jack Barron so beautifully put it "is a satellite unto himself and must find that orbit wherein he can truly swing." And so, naïve innocent, the pattern lends itself to the facts. Operation Intercept was indeed just that, but that real object to be intercepted was the insidious and dangerously subversive idea of the Free Market in a viably adaptable form.

Ockert only reveals this to Institute (and *REASON*) subscribers—swearing each of you to the secrecy necessary to prevent the spread of this ideological malignancy in the interest of the uncompromised truth that has characterized O.R.I. since its inception. For disaster is implicit in the J.C.!

T. JAMS

Consider the morning rush to work. With five passengers in one car, instead of one person a car, the number of cars is reduced by 80% and the amount of smog is reduced by the same 80%. The fact that one car would now travel where five did formerly, permits the one to traverse the distance in a savings of at least one half the time it formerly took, thus denuding the skies of 10 more percent, a total reduction thus far of 90% of current smog levels due to auto emissions and a saving of 50% in time traveling to and from work or wherever for those availing themselves of this system—without the expenditure of one damn dime of *your* tax dollar. And that is the evil, for *how can you know how much your government is doing for you if they don't take your money away?* If they don't channel it through the expertise of their political daisy chains and let the boosterpriced, under resolved, end products filter down to you immersed in well publicized P. R. jargon. It unfortunately would mean the end of the tax tax tax spend spend spend elect elect elect, at least in the area of smog control and mass urban transit; and no self-respecting bureaucrat can countenance that sort of threat.

"YELLOW" CABS

Case in point: The Yellow Cab Company has been granted certain exclusive franchises by the Los Angeles City Council, franchises which by law eliminate all competition. Why? Do they do the job effectively? No! In five years of living in the north and west sides of Los Angeles, Ockert never remembers seeing a Yellow Cab on his home street. As a method of transporting locals, Yellow Cab's impingement is miniscule. How then can a city government and Mayor, who claim "the people's" support for their "service to the people," justify perpetuating by police power a monopoly in the transportation system which is totally inadequate? This same question is valid in every major U.S. city but is crucial in Los Angeles. How are the officials paid off for the granting of these special privileges? Does their pay (other than salary)- fall into the category of the serene contemplation of a wise and just decision fairly made and functionally viable? Or is their pay in the baser currency of graft, sex, political support, and/or sustained power? Ockert was not privileged to be present when the decisionmaking criteria was tendered, and therefore has no facts, and thus makes no judgment—but he *does ask the question* and he *does demand an answer*. Ockert chooses not to comment on the alleged bribery of the indicted officials by the San Diego Taxi Company, as this is now before the courts and Ockert does not wish to jeopardize or prejudice due process.

The Jitney Concept as roughly outlined above could indeed meet the current market for warm body relocating using but 20% of currently operating cars. But remember, "a parked car gathers no mileage." Therefore it lasts 5 times as long, thus foiling Detroit's built-in-obsolescence-policy. With auto replacement down 80%, accompanied by a reduction in gas and oil consumption of about the same amount (now *there* is a *real depletion* write off), a recession would occur of such magnificence as to blow the Democrats smack dab back into the White House, where they could start another economy boosting war! Ralph Nader would no longer have the Auto Industry to bitch at. (He seem already to have anticipated this contingency by diversifying his opponency portfolio.)

80¢ GAS

One clever oil company chap copped a prime T.V. news blurb by opining that auto traffic - therefore smog—would be reduced if the price per gallon were raised to eighty cents—got it? — one (1) gallon of gasoline for eighty (80) cents, but Ockert thinks he was just putting your money where his mouth is. Interpret as you will.

What then shall we say unto these things? Who shall deliver us from the snare of the Free Market and the Jitney Concept? Verily I say unto you: Trust in your elected officials with all thine heart and lean not unto thine own understanding. In all thy ways acknowledge thy Governmental Functionaries and They shall direct thy paths.

Economic and health considerations aside, the greatest tragedy in the elimination of smog by the implementation of the Jitney Concept is in the area of the Spirit—the Immortal Spirit of Man, that divine spark that inspires the peregrinaceous wisdom of our philosopher kings of the 20th century. Those great ones whose transcendental wisdom may be modestly cloaked behind a desk at city hall, the state house, congress, wherever. The Jitney Concept cannot coexist peaceably with such as these. Those in whose capable hands is reposed the power of the Republic (must) find the concept of the Free Market anathema. Because under the Free Market events tend to occur without requiring the imprimature of the Functionary—thus rendering him/her obsolete.

Now the spiritual and psychological damage done to his/her self image under these circumstances is a tragedy of enormous magnitude. Fortunately it may be circumvented, if only we faithfully adhere to our slogan and . . . Save Our Smog . . . ◻

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Once already was I dead
and once born again,
once doomed
and once awakened
shaken with a glimpse of wisdom,
overbidden by wild wonder,
grappling with freedom
and hope.

To deny the half-faced faiths
that protect frightened children
from themselves,
is to welcome the abysmal—
rending and searing—
the tumbled world grown unexpected
in its senselessness,
and sour in the bright mist
of grey and foul divinity
where fear festers in innocence.

But I live.
Tomorrow wakes and wakes,
swollen with surety
that all things have sources and make sense
with the cunning of a wilderness.
Right rain, reason,
bones and symmetry,
and full fleshing of the mind,
kings within our dust
clean as marble.
As fond as an eddy's wet whispers,
as just as eyes and wings,
and as fair as the seasons
are based choices, found joy.

Lynda Phelps

trends

ENDING THE DRAFT?

In a surprisingly fast action last fall, Congress revived the military draft, which had been in limbo all summer, thanks to an anti-war filibuster. The Nixon Administration had pushed hard for restoration of the draft, despite Nixon's campaign pledge in 1968 to end the draft. In a minor concession, the Administration had thrown in a military pay raise, only to have Congress increase the amount by $1.5 billion, to within $300 million of the amount recommended by the Gates Commission as the level needed to attract an all-volunteer force (under nonwartime conditions).

Suspicions that the Administration has no intention of ending the draft by the next expiration date (June 1973) were heightened by a statement by the general in charge of planning for a volunteer military. Said Lt. Gen. George I. Forsythe in September, "Although we are going to try to do our level best, we are not going to make it, I do not believe, in the time that has been prescribed for us to do this." These suspicions were confirmed by the revelation shortly thereafter that the Army is actually *turning down volunteers*. Army recruiters have been told that the reenlistment rate was high enough so that discharged veterans who want to re-enlist are not needed (!).

Soon after these developments were made public, the New York-based Association for a Volunteer Army (which had backed Nixon in 1968) unanimously repudiated Nixon and called for his ouster in 1972.

Meanwhile, despite official attempts to resist the moral and practical arguments in favor of a volunteer military, the case continues to be made more forcefully. In a recent 107-page restudy of the issue, Rand Corporation researchers found that the costs of an all-volunteer force had been *over*-estimated in past studies. An all-volunteer force with a combat effectiveness equivalent to a 2.65-million man drafted force would cost only $2.1 to 2.5 billion more annually, including longevity and retirement costs. The one-time phasing-in costs are put at only $0.75 billion—a fraction of earlier estimates.

SOURCES:

BOSTON HERALD TRAVELER, 21 September 1971 and *BOSTON SUNDAY GLOBE*, 26 September 1971, both quoted in Walter Hauck's "Newswatch" column in *ERGO*.

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DEREGULATION—AN IDEA WHOSE TIME HAS COME

"Federal regulation of transportation is a failure—a creaky anachronism no more suited to a modern America than an oxcart to an expressway. It costs the public billions of dollars a year in inefficiencies and misallocations of resources. And in spite of its extravagent price, regulation contributes little to either good service for travelers and shippers or the financial well-being of most transportation companies."

So says the opening paragraph of a major article in a recent issue of *FORTUNE*. Like many other recent studies, it documents the inevitable takeover of regulatory agencies by "experts" from the ranks of the regulated industry. But unlike some of the criticisms, it goes all the way to draw the conclusion that the basic "common carrier" principle of regulation is faulty and that a truly free market would be a far better arrangement.

On the ICC, the article quotes Professor George Hilton of the University of California at Los Angeles, one of the most articulate spokesmen for deregulation: "The disadvantages of the present system are intrinsic to the Commission's existence and can be rectified only by its abolition."

The *FORTUNE* article is only one of the best in a whole series of articles in major publications pointing up what radical and libertarian economists have been saying for years. A recent *BUSINESS WEEK* editorial pointed out the benefits to shippers and consumers of Canada's four year old experiment in transportation deregulation and urged the United States to do the same.

Finally, last November, the Transportation Department released its timid plan for partial deregulation. It would reduce some of the entry barriers, especially in trucking; permit freight rates to fluctuate within certain limits without ICC approval; and dilute carriers' antitrust immunity at price-fixing meetings. The proposal has been considerably watered down from its early in-house versions, thanks to heavy opposition from such lobbyists as the American Trucking Association's William Bresnahan, former Senator George Smathers of the railroad industry's ASTRO lobby, Al Chesser of the United Transportation Union, and Leo Seybold of the Air Transport Association. These and other "champions of free enterprise" are described by the *FORTUNE* article as "the most important reason why deregulation of transportation has never made significant headway in Congress." The fact that *any* deregulation plan has been proposed is a major breakthrough, but with these powerful groups fighting to preserve the status quo, the battle for free competition has only just begun.

SOURCES:

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"How Canada's Railroads Handle Freedom," *BUSINESS WEEK*, 10 July 1971, p.54.

"Let the Carriers Compete " (editorial), *ibid.*, p.88.

"'Deregulation' Is Off to a Halting Start," *BUSINESS WEEK*, 13 November 1971, p.46.

NUDITY REARS ITS HEAD IN LA (AGAIN)

Los Angeles, home of nude dancers and waitresses, may add another distinction to its list of American trend initiations. The Recreation and Parks Committee of the Los Angeles City Council has recommended removing the City's ban on exposing the female breast in parks and on beaches. Although the Parks and Recreation Commission (a permanent City bureaucracy) turned down the recommendation on the grounds that it might "encourage public nudity" (SHOCK!), the subject was later scheduled for debate by the full City Council. ◻

publisher's notes

• This issue marks the first anniversary of *REASON*'s publication by Reason Enterprises, the partnership formed in late 1970 to rescue *REASON* from going the way of many fledgling libertarian journals. "Our" first issue, Volume 2, No. 10, appeared in January 1971. It was 28 pages long and contained articles by founder Lanny Friedlander, editor Robert Poole, associate editor Tibor Machan, managing editor Marilynn Walther, and part 2 of Rosalie Nichols' article on Indian property rights. It was mailed to all 400 people on our subscription list.

Twelve issues later, the magazine you are now reading went out to 3028 paid subscribers, numerous university and corporate libraries, and newsstands in cities from New York to California and several foreign countries. Our mailing list is maintained by an IBM 360 and our mail now goes by semi-reliable second class, rather than bulk rate. Our first year has seen articles and interviews of such persons as Nathaniel Branden, John Holt, Yale Brozen, Jay Forrester, Ralph Nader, and Robert Rimmer.

• We are pleased to announce the launching of the Reason Author Fund. Thanks to a gift from Henry Hohenstein, *REASON* financial consultant, *REASON* now is in a position to pay small honoraria to authors, in addition to our usual in-kind payments of complimentary subscriptions and copies. The purpose of the Fund is to encourage and reward the submission of high-quality material for publication in *REASON*. Initially, the Fund will apply only to original articles, not to reprints, poems, photos, or artwork. Additional contributions to the Fund are most welcome and will enable us to increase the amounts paid and/or expand the categories covered.

• An interesting libertarian group has been formed in New England. Calling itself the New Right Coalition, the group is aimed at political action—in the sense of pamphleteering, postering, demonstrating, etc. The group already has a large variety of posters and pamphlets available on various topics. Boston chapters have recently received publicity for several demonstrations, including one at the Boston Regional Welfare Office. National Chairman Donald Feder and Board member Gordon Nelson have appeared twice on Boston's Channel 38 to argue against the welfare system.

• Look for a different kind of West Coast Libertarian Conference. Bill Steel, Dana Rohrbacher, *et al* are designing a libertarian conference devoted exclusively to psychology and its role in libertarian analysis. Invited guests include Carl Faber, Carl Rogers, Nathaniel Branden, and others. Although still in planning stages, the place and dates are firm: USC on February 13 & 14th.

ERRATUM:

In last month's Trends column, the debate topic discussed under "A New Slant on TV News" should have read "Should the Fairness Doctrine be *Extended* to TV news?" It was on *this* question that Edith Efron said YES and Jeffrey St. John said NO. Our apologies for inadvertently reversing the sides of the debate.

• Several readers have asked if we know of any libertarian organizations outside the United States. The following is a list of such groups, compiled largely by Evan Soule of the National Committee to Legalize Gold, following his trip to Europe last summer:

AUSTRIA
Institut für Angewandte Sozial- und Wirtschaftsforschung, Renngasse 12, 1010 Wien.

AUSTRALIA
Peace Plans, c/o John Zube, Wilshire Street, Berrima, N.S.W.

CANADA
1) Free Enterprise Foundation of Canada, P.O. Box 176, Toronto.
2) League for Economic Democracy, 12 Charles Street, Stoney Creek, Ontario.

ENGLAND
1) International Institute for Economic Research, c/o Dr. Arthur Shenfield, 19 Chandos Court, Caxton Street, London S.W.1
2) Aims of Industry, 5 Plough Place Fetter Lane, London E.C. 4.
3) Political Freedom Movement, c/o Mr. Laurence Clark, Blackbush Airport, Camberley, Surrey.
4) Society for Individual Freedom, 55 Park Lane, London W1Y 4LB.
5) Personal Rights Association, 31 Parkside Gardens, London S.W. 19.

INDIA
Forum for Free Enterprise, Sohrab House, 235 Dr. Dadabhai Naoroji Road, P.O. Box 48-A Bombay 1.

NORWAY
Libertas, Incognitogaten 18, Oslo.

SWEDEN
International Freedom Academy, Grevgatan 67, 114 59, Stockholm.

SWITZERLAND
1) Wilhelm Roepke Gesellschaft, Weinbergstrasse 9, Zurich CH.
2) Die Vereinigung für Freies Unternehmertum, Zeltweg 46, Zurich

GUATEMALA
Centro de Estudios Económico Sociales, Apartado 652. ◻

letters

FURTHER QUESTIONS FOR MR. BRANDEN

I have just read the Branden article, I would want to ask Mr. Branden some questions such as: What was and is the state of Miss Rand's physical health? If one is below par, one does not function at one's best (e.g., Roosevelt at Yalta - what would he have done if he were well? and Napoleon, who had hemorroids, at Waterloo). As an aging person and one who looks down on "homey" activities, I'm sure she doesn't eat properly. And what about Branden? Was his manner provoking (aside from his deeds)? In other words, did their emotional or personality clashes affect the thought processes of both of them? Did Miss Rand get true warmth and understanding from those who surrounded her? I thought her answer to the question about a woman for president might give a clue. She needs someone to give her a certain emotional coziness, as we all do. Rand is fighting the world. It's rough, then, to have to fight those close to you, too. I would want to know more about Branden's hangups, which I think kept him from maintaining communication with Rand. In other words, he could have used another person to psychoanalyze him. I am indebted to both of them for my intellectual well being and would love to see them kiss and make up.

Doris Gordon
Silver Spring, Md.

BRANDEN INTERVIEW DISAPPOINTING

I found the interview with Nathaniel Branden (*REASON*, October 1971) somewhat of a disappointment. One of the advantages of the interview technique is to raise questions of clarification, criticism, or whatever then and there when the statement is made. It is a mistake to use the interview technique only to provide a platform for the interviewee to plug his books, gossip, or make summary statements which are nearly vacuous because of their generality. Unfortunately, I found the latter situation to be the case with the Branden interview.

I am aware that what I saw in print represents a very small part of the original transcript. Perhaps the original was much better, but all I can base my comments on are what Mr. Branden has allowed into print. That consists of Branden on other schools of psychology, his books, some contemporary issues, and, of course, Ayn Rand. The conversation is at such a level of generality that it is hardly illuminating. The questions are of the innocuous type such as, "What are your views on . . ." or "What are your thoughts about . . . ." They do not serve to penetrate what Branden is saying but only as topic markers for Branden to expound on. I am familiar with Mr. Branden's written work and I know that he can be penetrating, perceptive, remarkable well organized. In my judgment, if *REASON* wished Mr. Branden to cover a few topics of general interest it would have been better to ask him to write an article. On the other hand, if they wanted to penetrate deeper into Branden's own ideas, then an interview is a good technique. Unfortunately, in this incidence, it failed.

Gary E. Kessler
Bakersfield, Calif.

COMMENTS ON FORRESTER INPUTS

I'd like to comment on Jay M. Forrester's "Counterintuitive Behavior of Social Systems" (*REASON*, July and August, 1971). I don't object to Forrester's methodology. There is nothing magical about his use of computers and nothing infallible about his results. The computer is just a tool used to perform a vast number of calculations quickly. The results you get from any computer study are only as reliable as the inputs you use and your computer program. We ought to be wary of any sort of mystical attitude toward computers, like: a *computer* said so, so it's got to be true. Nonsense! If you put garbage into a computer, you get garbage out. And it's on this question of inputs that I would make some critical comments.

In Forrester's program "pollution" seems to depend very heavily on "capital investment" and "population." He seems to say that a higher standard of living and/or more people will *necessarily* imply more pollution. This correlation has been true in the past, but that doesn't mean that it will always hold true. It's at least possible for waste products to be recycled and reused and for highly polluting processes to be replaced by equally effective but less polluting techniques. This would permit a society to exist with a relatively high standard of living, while causing little or no pollution. It remains to be seen, of course, whether recycling will be used to any great extent or not.

But, in connection with that last point, it seems that unpleasant trends carry within themselves a force for reversing the trend, quite independent of any other factors. For example, as taxes rise higher, tax resistance grows. Similarly, as pollution increases, the high level of pollution itself causes anti-pollution efforts to grow. Attention is increasingly focused on the problem, resources are allocated to deal with it, possible solutions are proposed and tried. I don't see where Forrester's program takes into account this negative feedback within the single factor.

Another comment I would make is that "quality of life" and growth of "population" don't have the simple direct relationship that Forrester implies. He says:

> Population grows until stresses rise far enough, which is to say that the quality of life falls far enough, to stop further increase. Everything we do to reduce those pressures causes the population to rise farther and faster . . . .

This sounds exactly like the sort of intuitive conlcusion that Forrester warns us against; it seems like it should be true, but it is not confirmed by the facts. The facts are that the birth rate and the population growth rate are *lower* in developed countries where the quality of life is higher than in underdeveloped countries. And the birth rate is highest in the most wretched slums of third world cities where the quality of life is very low indeed.

What is the cause of this seeming anomaly? Well, it seems to me (this is only a guess) that improvements in sanitation and medicine have just recently caused a decline in the death rate in third world countries. In the recent past, people in those countries had to give birth to a lot of kids since half or more of their children would die before maturity. Now, more children survive, but there hasn't been enough time yet for the desire for a lower birth rate to work its way into the customs of these countries. Also, the acceptance of contraception and abortion is greatly hampered by the poverty, lack of education, and often the religious beliefs prevalent in these countries.

In the developed countries, enough time has elapsed since the decline in the death rate for people to have voluntarily adjusted the birth rate accordingly. The 2 or 3 child family is the ideal here and larger families are looked down on as lower class. People are wealthier, better educated, and more liberal or sceptical in their religious views, so these factors don't prevent the wide acceptance of contraception and abortion.

Note that the reduction in birth rate which has occurred in the developed countries, occurred *despite* rather than *because of* government programs. Such things as tax exemptions for dependents, "free" schools, etc. in effect subsidize childbearing by reducing the cost of rearing a child, and such programs may be the main reason why the birth rate here remains as high as it is. In reply to Bill Westmiller, whose letter appeared in the September issue of *REASON*, this reduction in the birth rate shows that these changes that Forrester posits can be made by private voluntary action, as well as by coercive government programs. This means that Forrester's technique applies equally well to forecasting the results of various possible free market allocations of resources as well as coercive Statist programs.

One final point: what the hell is a "quality of life" curve that rises right off the graph (to infinity?) supposed to mean? When a computer program generates an absurd result in the projection of one factor, one is tempted to wonder if all its other projections may be equally ridiculous.

Jim Stumm
Buffalo, N.Y.

FLAWS IN FORRESTER'S MODEL

Some brief comments on Jay Forrester's computer simulation models. The criticisms encountered so far in *REASON* have been, with one exception, by those hostile to the concept of computer simulation of social systems. They have not touched upon the model itself. I am sympathetic to simulation models, knowing fully well their usefulness in planning (capitalists plan too, you know!). After all, even a supply and demand curve assumes human behavior has a degree of predictability—e.g., "they will buy less if price increases . . . ." Computer simulation models are sophistications of marginal economics and offer better opportunity for verification or repudiation.

First, Mr. Forrester's *urban model* has 20 state variables. That is, his model is a network with connecting functions. There are 20 nodes at which we can look upon the state of the system. They are rather crude ("people," "enterprise," and "housing" being the most important). He defines people as either "managers," "workers," or "underemployed" and enterprise as "new," "mature," and "declining." This is just a sample of the crude nature of the model. There are 150 equations relating the 20 state variables with nonlinear feedback loops.

The weaknesses are glaring. Firstly, there is no way of putting in real urban data to test the validity of the model. He simulated the behavior of the city by starting from zero value of all state variables and letting it loose. It reached a "peak" at 125 years and then oscillated with a very quick damp until stability reached, if I remember, at about 200 years. He tested 11 urban programs on his run along. Nowhere is *real* data put in. In fact, his starting values for his test of urban programs are silly. Firstly, his birth rate figures are wrong, and hence produce doom-like predictions. Realistic birth rates supplied by Professor Stonebreaker of the Electrical Engineering Department at Berkeley produced unpleasant but not disastrous predictions. Secondly, his starting figures for "underemployed" unemployment is 40%. Hence his programs for reducing housing for the poor and inducing new enterprise in the city produce glowing results. However, when more realistic figures, such as 10% are entered, the results of his programs are far less dramatic, both good and bad.

Importantly, there is a fundamental flaw in his simulation model. Resources and people travel in and out of his urban model from an "infinite sink." That is to say, when he tests a program of reducing housing for the poor, the poor migrate into an infinite sink. They disappear. So naturally the city appears much better off. However, instead of an infinite sink what we really have is another city to and from which they migrate. Any simulation model into an infinite sink rather than a model out of which you cannot send undesirable elements excepting by murder is hardly likely to produce worthwhile results. And when enterprise is induced, no resources are drawn away from another area. There is just this cornicopia from which we can draw. So naturally when we attempt to test a system of inducing new enterprise by, say, tax-exempt municipal bonds for industrial development, we don't have to subtract from the good results the resources taken away from everywhere else.

His dire predictions come from the fact his variables are time-invariant. There is no way, for example, for the birth rate to change in his model. But it has dramatically changed in the last two years. His dire predictions on the outcome of industrialization in the world because of its reducing the death rate far more than the birth rate is false. The United States, if it keeps its current birth rate, has no population problem. Yet his model has no way of including such changes. And the birth rates he supplied were above realistic birth rates. The same is true for every variable in his model. They cannot change exogenously. Yet in reality they do.

Mr. Stonebreaker removed 70 of the 150 equations, leaving only those relating 9 state-variables, those for housing, enterprise, and people. He ran through all 11 urban programs, and the only differences to the state-variables remaining were measured at an average of 6%. Nothing on taxes remained. By Forrester's model, taxes had no effect whatsoever—which is not surprising, considering we are talking about an infinite sink from which resources come and nowhere for new enterprise to choose to open rather than the "city" being simulated.

What is good about Forrester's model is that he's got everyone including myself pissed-off and has consequently increased the chances of better models being constructed by the controversy he has created. After all, no matter what the flaws of his model, he did construct it, the results are not totally ridiculous, the model operates without coming unstable, and it provides an excellent framework within which to construct better and more sensitive results. And to those who complain that models are impossible because people are not predictable belie their own claim everytime they buy a share of stock in a company producing a good product—they thereby predict the public will buy it. Computers offer the opportunity of operationally defining our model, measuring their correctness and accuracy, working with large amounts of data simultaneously, and quantifying the price-theoretical framework within which most readers of *REASON* view economic activity.

Alastair MacLeary
Berkeley, Calif.

PROMOTE LIBERTARIANISM

I am on so many mailing lists, both national and local, from political groups asking for financial support, that in

discussing this with friends I find that they usually throw them away unanswered. Why contribute to the lesser of two evils, etc.

I would like to propose that all libertarians who receive this sort of letter return it in the prepaid envelope with a short message enclosed to this effect: "We are sorry we will not donate money to an organization which by it's nature is losing the battle for freedom" or "To understand why the Republican Party, Conservatism, or whatever cannot win, read *LIBERTARIANISM* by John Hospers published by Nash Publishing Co."

They will certainly open the message looking for money. If they receive only my letter they will say something like "Hmmmm some crank," but if they receive 200, 2,000, or 20,000 such letters it may get the message across. People working in campaign offices are politically oriented, their main problem is ignorance of the libertarian philosophy.

I chose *LIBERTARIANISM* by John Hospers because of its matter of fact but not inflammatory tone. (Ayn Rand's *CAPITALISM* might be mentioned, but, because of the general idea of what capitalism is and the antagonism Ayn Rand produces in many people, it would be a second choice.)

Constance Stevenson
Houston, Tex.

RAND ON POLLUTION

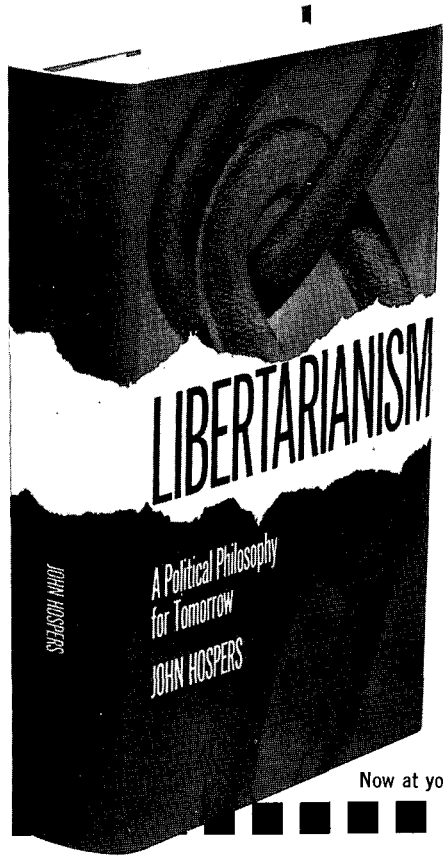
Richard Terrell's seconding (*REASON*, Letters, October 1971) of Dennis Chase's article "Atlas Shrugged at Me" (*REASON*, July 1971) excluded, either from ignorance or willfulness, Ayn Rand's comments in *THE NEW LEFT: THE ANTI-INDUSTRIAL REVOLUTION* on local pollution and dirt. There she notes and applauds century-old laws prohibiting "certain kinds of pollution, such as the dumping of wastes into rivers" and calls for the enforcement of "specific laws—forbidding specifically *defined* and *proved* harm, physical harm, to persons or property" as "the only solution to problems of this kind." Appropriately, she points out government's role in sewage and waste disposal and the individual hand behind the tossed bottle. Although I think she tends to belittle the problem of serious environmental *misuse*, nowhere in her writings is she the garbage glorifier of Mr. Ferrell's letter.

Weary of having a caribou's psyche thrown at the advocates of the Alaskan pipeline, I have begun collecting "eco-retractions." After months of panic-mongering it has been discovered (*re*-discovered?) that mercury levels have been decreasing for decades, that soil is a "natural sink" for carbon monoxide (the U.S. can accommodate yearly 6 times as much as it produces: see *SCIENTIFIC AMERICAN*, August 1971), that pastel bathroom tissue does not kill fish, that unexplained imbalances in nature can occur quite well without our help, thank you, and that General Motors did not bring on the Ice Ages and destroy the lovely dinosaur that Nature had worked on so long.

Two last reminders to those who think we are the Great Despoilers: no rhinoceros ever pleaded for the preservation of human grazing and no pine tree ever replanted a man.

Kathleen Collins
Aura, Michigan

The case for "the idea whose time has come" . . .



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1. Entries are due by January 31, 1971 and should be submitted to Contest, 15 Yale Street, Winchester, Mass.
2. Entries should be approximately 250 words.
3. *All entries become property of the* New England Libertarian Alliance.

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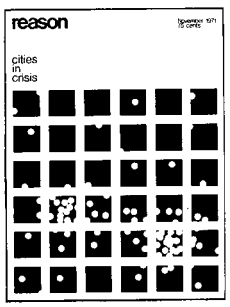

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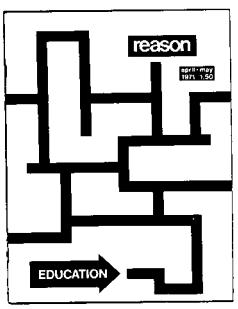

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